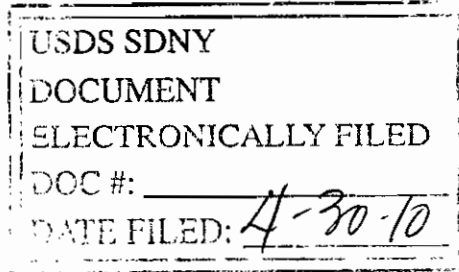


# ReedSmith

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April 30, 2010

***Via Facsimile***

Hon. Victor Marrero  
United States District Judge  
United State District Court for the Southern District of New York  
United States Courthouse  
500 Pearl Street  
New York, NY 10007

***Re: The Bank of New York Trust Company, N.A., as Trustee v.  
Franklin Advisers, Inc., et al. / Case No. 07 CV 1746***

Dear Judge Marrero:

This firm represents Defendants/Crossclaimants CDO Plus Master Fund, Ltd. and Merrill Lynch Pierce Fenner & Smith Inc., and write further to the Court's Order of April 9, 2010, a copy of which is attached.

We are pleased to confirm our oral advice to Chambers yesterday that the parties have reached an agreement to arbitrate the remaining issues referenced in the letter endorsed by the April 9, 2010 Order such that there is no need to restore the above-referenced case to the active calendar at this time.

We thank the Court for its attention to this matter and its assistance throughout.

If the Court has any questions, please have Chambers contact me.

Respectfully,

Lance Gotthoffer  
LG:f

cc: Jonathan Hochman, Esq.

The Clerk of Court is directed to enter into the public record of this action the letter above submitted to the Court by

defendants/crossclaimants

**SO ORDERED.**

4-30-10  
DATE

VICTOR MARRERO, U.S.D.J.

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April 8, 2010

**BY HAND DELIVERY**

The Honorable Victor Marrero  
United States District Judge  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street, Room 660  
New York, New York 10007

Re: *The Bank of New York Trust Company, N.A. v. Franklin Advisers, Inc. et al.,*  
07-cv-01746 (VM) (GWG)

Dear Judge Marrero:

This firm represents Defendant-in-Interpleader/Cross-Claimant Franklin Advisers, Inc. ("Franklin Advisers") in the above-referenced proceeding (the "Action"). We write to update the Court on the status of negotiations between the parties with respect to submitting this matter to arbitration and to request that Your Honor informally preserve the trial date previously scheduled by Your Honor.

By Order dated March 19, 2010, Your Honor scheduled a trial in the Action to commence June 21, 2010. Thereafter, in light of the progress the parties have made toward reaching an agreement to arbitrate the remaining issues, Your Honor entered a Conditional Order of Discontinuance Without Prejudice dated March 30, 2010 (the "Discontinuance Order"). In the Discontinuance Order, Your Honor terminated the Action without prejudice and gave the parties 30 days to apply to the Court to restore the Action to the active calendar in the event that no arbitration agreement is reached. While we remain hopeful that such an agreement to arbitrate is close at hand, until such an agreement is executed, there remains a possibility that the Action will need to be resolved in Court. In light of this possibility, and in light of Franklin Advisers' desire to resolve this Action expeditiously, we respectfully request that Your Honor continue to reserve the June 21<sup>st</sup> trial date until the earlier of (i) the date on which the parties execute an agreement to arbitrate the remaining issues, or (ii) April 29, 2010 (i.e. 30 days from the date of the Discontinuance Order). If the parties cannot reach an agreement by April 29,

Franklin Advisers would like to proceed with a trial on June 21, 2010.

Request GRANTED. The Conditional Order of Discontinuance herein is amended to extend until 4-29-10 the date by which plaintiff may restore the action to the Court's active calendar in the event an arbitration agreement is not SO ORDERED. Reached.

4-9-10  
DATE

VICTOR MARRERO, U.S.D.J.

Respectfully submitted,

Jonathan L. Hochman

USDS SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: <u>4-9-10</u>

cc: Lance Gotthoffer, Esq. (by e-mail)